MONTHLY UPDATE

About the Fund: The Artesian Short Duration Corporate Bond Fund (NZD) offers New Zealand-based investors a Portfolio Investment Entity (PIE) vehicle through which to invest in the Artesian Corporate Bond Fund (AUD). Through this structure, the Fund will invest in a diversified portfolio of liquid, predominately investment grade fixed and floating rate corporate bonds. In this document, we refer to the Artesian Corporate Bond Fund (AUD) as the Underlying Fund. In most sections of this document, the metrics and commentary shown are taken from the Underlying Fund. We have signalled these sections with a hashtag in the section heading. From time to time there may be small differences between the metrics of the NZD Fund and the Underlying Fund, as a result of liquidity cash held in the NZD fund.

AS AT 30TH JUNE 26	FUND PERFORMANCE			
	1 month	3 months	6 months	Since Inception (p.a.)
ARTESIAN SHORT DURATION CORPORATE BOND FUND (NZD) GROSS RETURN	0.55%	0.00%	0.00%	1.13%
ARTESIAN SHORT DURATION CORPORATE BOND FUND (NZD) NET RETURN*	0.49%	0.00%	0.00%	0.94%
ARTESIAN SHORT DURATION CORPORATE BOND FUND PIR RETURN (NZD)**	0.49%	0.00%	0.00%	0.94%
BLOOMBERG AUSBOND COMPOSITE 0-3 YR INDEX 100% HEDGED TO NZD	0.38%	0.00%	0.00%	0.82%

**Artesian Short Duration Corporate Bond Fund (NZD) returns are after all fees and expenses, but before tax which varies by investor. Past performance should not be taken as an indicator of future performance. The inception date for Artesian Short Duration Corporate Bond Fund (NZD) is 15 April 2026.*
***Artesian Short Duration Corporate Bond Fund (NZD) returns are after all fees and expenses, but before tax which varies by investor and inclusive of tax credits. The Fund invests in an underlying Australian Unit Trust (AUT) which is required to distribute all income. Tax on these distributions is withheld at fund level but investors receive a tax credit for this amount. As such, the Zero PIR return is a reasonable basis for comparing performance between the NZD Fund and its AUT alternative.*

AS AT 30TH JUNE 26	PERFORMANCE OF THE UNDERLYING FUND- CLASS B								
	1 month	3 months	6 months	1 year	2 year (p.a.)	3 year (p.a.)	4 year (p.a.)	5 year (p.a.)	Since Inception (p.a.)
GROSS FUND RETURN	0.81%	2.08%	2.89%	6.12%	6.68%	7.40%	6.98%	4.98%	4.93%
NET FUND RETURN	0.75%	1.89%	2.51%	5.33%	5.89%	6.60%	6.18%	4.20%	4.14%
BLOOMBERG AUSBOND COMPOSITE 0-3 YR INDEX	0.54%	1.60%	1.86%	2.62%	4.08%	4.18%	3.51%	2.20%	2.15%
ACTIVE RETURN (net Fund return - benchmark)	0.21%	0.30%	0.65%	2.71%	1.81%	2.43%	2.67%	2.00%	1.99%

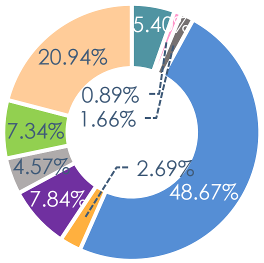
Past performance should not be taken as an indicator of future performance. Net of fees performance is based on end of month redemption prices after the deduction of fees and expenses and the reinvestment of all distributions. Gross performance is the net return with fees and expenses added back.

PORTFOLIO UPDATE#

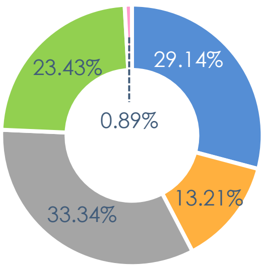
June was shaped by the partial unwind of Middle East driven energy pressures, even as central banks continued to grapple with the inflationary fallout. The RBA left the cash rate on hold at 4.35%, pausing after three rate hikes earlier this year to assess how much of the cumulative tightening had flowed through to the economy. The Board noted that financial conditions had tightened materially and that signs of slowing economic activity were beginning to emerge. In Europe, the ECB tightened policy for the first time since 2023, raising its deposit rate by 25bps to 2.25% after eurozone inflation accelerated to 3.2% in May, while core inflation also increased to 2.5% from 2.2%. In the United States, the Fed left rates unchanged at 3.50% to 3.75% in Kevin Warsh's first meeting as Chair. However, the accompanying dot plot adopted a more hawkish tone, with the median 2026 policy rate projection rising to 3.8% from 3.4% in March. Midway through the month, a US brokered peace agreement reopened the Strait of Hormuz, providing some relief to oil prices following months of conflict-driven spikes. Despite this easing in energy markets, growth indicators across developed economies remained soft. Outperformance came from the Underlying Fund's positions in CDC Data Centres, ANZ Banking Group, NSW Electricity Networks, Westpac Banking Group and Macquarie Bank. Underperformance came from the Underlying Fund's positions in Adelaide Airport, Volkswagen Financial Services Australia, Scentre Group, Bank Australia and Iberdrola.

PORTFOLIO BREAKDOWN#

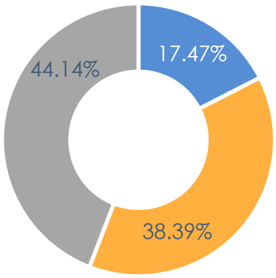
SECTOR BREAKDOWN



REGION & PRODUCT



CREDIT RATING



CREDIT SPREADS#

Global credit spreads were mixed in June, with the AUD market slightly outperforming its global peers. On average, Australian dollar investment grade credit spreads tightened by 1bp to 105bps. In comparison, euro denominated spreads widened by 1bp to 80bps, while US dollar spreads widened by 2bps to 74bps. The outperformance of the AUD market was all the more impressive given another considerable month of new issuance, with AUD 16.7b priced during June. Total year to date AUD corporate issuance now stands at a record AUD 102.4b, representing another important step in the continued maturity and liquidity of the domestic credit market. Despite the elevated supply, demand remained robust and new transactions were well absorbed. One notable exception during the month was Judo Bank (no exposure in the Underlying Fund), which announced a surprise profit downgrade. The announcement saw subordinated debt spreads widen by approximately 50bps.

AS AT 30TH JUNE 26	PRICE	CHG ON MTH
ITRAXX AUSTRALIA 5YR	0.68%	-0.04%
ITRAXX EUROPE 5YR	0.52%	-0.01%
ITRAXX EUROPE XOVER 5YR	2.45%	-0.14%
CDX US IG 5YR	0.51%	0.01%
CDX US HY 5YR	3.06%	0.06%

UNDERLYING FUND METRICS#

Although the Underlying Fund's metrics did not change materially month on month, we were once again highly active across both the primary and secondary markets. Australian government bond yields continued to rally during June, declining by approximately 17bps across the curve. Whilst the Underlying Fund remains underweight relative to its 1yr interest rate duration (IRD) target, with 3yr Australian Government Bond yields at 4.35%, broadly in line with the RBA cash rate, we see limited value in adding further duration at current levels. The Underlying Fund's credit duration (CD) remains close to its 4yr target, reflecting our constructive view on investment grade credit valuations. However, should credit spreads continue to tighten, we expect to gradually reduce credit duration as valuations become less compelling. The Underlying Fund's running yield declined by 10bps during June as a result of the rally in government bond yields but remains attractive at 5.50%.

AS AT 30TH JUNE 26	FUND	CHG ON MTH
INTEREST RATE DURATION	0.61	-0.01
CREDIT DURATION	4.03	0.02
YIELD TO MATURITY	5.57%	-0.08%
YIELD TO WORST	5.50%	-0.10%
BLOOMBERG COMPOSITE RATING (weighted average)*	A	A

**Using the Morningstar methodology for Average Credit Quality*

NEW ISSUES

As mentioned, June was another exceptionally strong month for AUD primary issuance. We recorded 33 deals from 23 unique issuers, with total issuance reaching AUD 16.7bn. The breadth of issuers coming to market, across both financials and corporates, continues to demonstrate the growing depth and maturity of the Australian credit market.

ISSUER	Issue Date	Issue Size $M	Fixed/ Floating	Maturity	Next Call	Credit Spread EFP/BBSW	Month End Bid Spread	Net Change
COMMERZBANK	03-Jun-26	700	Floating	12-Jun-31	-	1.10%	1.04%	-0.06%
CDC DATA CENTRES	04-Jun-26	650	Fixed	12-Jun-56	12-Jun-31	2.40%	2.17%	-0.23%
CDC DATA CENTRES	04-Jun-26	350	Fixed	12-Jun-56	12-Sep-33	2.40%	2.12%	-0.28%

DISCLAIMER

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